

EXHIBIT 21

March 25, 1997

To: Nancy Andrews

From: Ronald I. Lobel

To: Kirsten
From: Ron L.
→ EY, please
beel free to
call me
to discuss,
Ron

Sample OIG Report Critical of Lack of Documentation of Award Decisions

Attached is a relatively recent report Don Bard obtained from the Commerce Department OIG critical of the documentation of award decisions for the Advanced Technology Program. The primary criticisms involve lack of documentation of subsequent discussions after the initial reviews, especially where issues were subsequently resolved or raised.

This is the kind of report we want to avoid at CDFI with respect to the First Round Awards. As discussed yesterday, information is available at CDFI to bridge the gap between initial reviews and final decisions. It just needs to be written up in a concise and effective manner for the files.

Please read over and let me know if you would like us to 1) provide Kirsten, Steve and Valerie with a copy of this report along with a transmittal memo like this and 2) offer to meet with them to go over the report as "lessons learned" from another agency (such a meeting would be part of our CDFI Federal education awareness objective).

Attachment

cc Nicole Tassinari

EXHIBIT 22

EMERGENCY
+ HONECALL

Attendees

- ① Ron Lobel
- ② Nicole Tassinari
- ③ Jeannine Jacobses
- ④ Rachel Lahrman
- ⑤ Nancy Andrews

(EY)

(EY)

BEA

(EY)

BEA

5:20 PM - Wed.

4/16/97

— Chairman Baucus

wrote letter w/ questions
last week (earlier)

— rec'd letter yesterday
2nd (4-15-97)

EY 0103

— subcommittee staff to
look thru files
tomorrow

— ^{HAD} till 23rd to
respond
(NOT ANYMORE)

4/16/97 1/5

EXHIBIT 23

ERNST & YOUNG LLP**Washington, D.C. Office**

1150 18th Street, N.W.
Washington, D.C. 20036
(202) 775-1880
FAX - (202) 833-2019

Fax Transmittal

Date: 04/18/97

To: Steve Rohde

At: CDFI

Copies To: Jeannine Jacokes, Valerie Piper, Nancy Andrews

Facsimile #: 202-622-7754

Telephone #: 202-622-8662

From: Nicole Tassinari

Client #

Comments: Here is an updated table for the CDFI Program Master Award File Review. The changes reflect the progress that CDFI has made in updating the files. Please contact me if you have any questions.

This transmission consists of 4 pages (including cover sheet)

Our facsimile number is (202) 833-2019.

This is a confidential facsimile transmission. If it has been misdirected, please advise us and destroy or return it to the above address.

If you should have any problems receiving any of the following pages or there are some pages that are not legible, please call at the above telephone number.

203776

CDPI Program
Updated Master Grant File Documentation Review
As of April 17, 1997

DRAFT

Control Number		Awardee Name	Award Amount	Other Program Requirements	Miscellaneous	Environmental Review Form	Geographic Codes and Data Sources	Acknowledgment of Receipt	Certification Review Memo	Evaluator Review Memo (Quality Review)	Reviewer Notes	Reviewer Conflict of Interest Statement	Award/ Obligation Letter	Disbursement Document	ACH Vendor/ Miscellaneous Payment	Requisition for Supplies or Services	Notice of Certification	Decision Memo	Program Memo	Assistance Agreement	Treasury Department Background Checks	Congressional Correspondence
C105		Accon Texas	\$500,000 grant								2	3	N	1				3	3	N		N
C221		Bethex Federal Credit Union	\$100,000 grant								2	3	N	1	N			3	3	N		
C156		Boston Community Loan Fund	\$500,000 grant						N		2	3		1				3	3	N		
C024		Cascadia Revolving Fund	\$117,050 loan						N		2	3	N	1				3	3	N		
C070		Community Loan Fund of Southwestern Pennsylvania	\$600,000 grant						N		2	3	N	1				3	3	N		
C071		Delaware Valley Community Reinvestment Fund	\$250,000 grant						N		2	3	N	1				3	3	N		
			\$30,000 TA																			
			\$1,000,000 grant						N		2	3	N	1				3	3	N		
			\$382,300 loan						N		2	3	N	1				3	3	N		
C249*		Douglas Bancorp	\$1,750,000 equity						N		2	3		1				3	3	N		
C051		Enterprise Corporation of the Delta	\$153,000 TA						N		2	3	N	1				3	3	N		
			\$2,000,000 grant								2	3						3	3	N		
C088		Faith Community United Credit	\$200,000 grant								2	3	N	1	N			3	3	N		
			\$150,000 loan		N																	
C146		Federation of Appalachian Housing Enterprises	\$370,000 grant								2	3						3	3	N		
			\$462,396 loan																			
			\$30,000 TA						N		2	3	N	1	N			3	3	N		
C141		FINCA International	\$450,000 grant						N		2	3	N	1	N			3	3	N		
C013		First American Credit Union	\$1,000,000 grant								2	3	N	1	N			3	3	N		
C072		Illinois Facilities Fund	\$900,000 grant		N				N		2	3	N	1				3	3	N		N
C038		Kentucky Highlands Investment Corp	\$450,000 grant								2	3	N	1				3	3	N		N

Items Not Found in Files ("N")

- Notes:
- 1 Not applicable at this time
 - 2 Reviewers were not instructed to maintain notes during the first round review process
 - 3 Maintained in overall master file
- * Signifies for-profit organizations

203777

CDFI Program
Updated Master Grant File Documentation Review
As of April 17, 1997

DRAFT

Items Not Found in Files ("N")																					
Control Number	Awardee Name	Award Amount																			
			Other Program Requirements	Miscellaneous	Environmental Review Form	Geographic Codes and Data Sources	Acknowledgment of Receipt	Certification Review Memo	Evaluator Review Memo (Quality Review)	Reviewer Notes	Reviewer Conflict of Interest Statement	Award/ Obligation Letter	Disbursement Document	ACH Vendor/ Miscellaneous Payment	Requisition for Supplies or Services	Notice of Certification	Decision Memo	Program Memo	Assistance Agreement	Treasury Department Background Checks	Congressional Correspondence
C145	Local Initiatives Support Corporation	\$1,000,000 grant						N	N	2	3	N	1				3	3	N		
C135*	Louisville Development Bancorp	\$2,000,000 equity \$336,500 TA						N	N	2	3	N	1	N			3	3	N		
C139	Low Income Housing Fund	\$1,200,000 grant						N		2	3	N	1				3	3	N		
C021	Neighborhood Inc. Of Battle Creek	\$540,540 loan						N		2	3	N	1	N			3	3	N		
C163	New Hampshire Community Loan Fund	\$1,350,000 grant						N		2	3	N	1				3	3	N		
C130	Nonprofit Facilities Fund	\$1,000,000 grant						N		2	3	N	1				3	3	N		
C002	Nonprofit Facilities Fund	\$428,100 loan						N		2	3	N	1	N			3	3	N		
	Northeast Ventures Corp	\$1,250,000 equity						N		2	3	N	1				3	3	N		
		\$100,000 grant																			
C217	Quinnman County Federal Credit Union	\$27,500 TA						N		2	3	N	1				3	3	N		
		\$120,000 grant																			
C106	Richmond Neighborhood Housing Services	\$36,855 loan						N		2	3	N	1				3	3	N		
		\$900,000 grant																			
C042	Rural Community Assistance Corp.	\$339,920 loan						N		2	3	N	1				3	3	N		
C026	Santa Cruz Community Credit Union	\$1,000,000 grant								2	3	N	1	N			3	3	N		N
C206	School Workers Federal Credit Union	\$150,000 grant						N		2	3	N	1				3	3	N		
C136	Self Help Ventures Fund	\$3,000,000 grant						N		2	3	N	1			N	3	3	N		
		\$3,750,000 equity																			
C102*	Shorebank Corp	\$750,000 grant						N		2	3	N	1				3	3	N		

Notes:

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* Signifies for-profit organizations

203778

CDFI Program
Updated Master Grant File Documentation Review
As of April 17, 1997

DRAFT

Control Number	Awardee Name	Award Amount	Items Not Found in Files ("N")																		
			Other Program Requirements	Miscellaneous	Environmental Review Form	Geographic Codes and Data Sources	Acknowledgment of Receipt	Certification Review Memo	Evaluator Review Memo (Quality Review)	Reviewer Notes	Reviewer Conflict of Interest Statement	Award/ Obligation Letter	Disbursement Document	ACH Vendor/ Miscellaneous Payment	Requisition for Supplies or Services	Notice of Certification	Decision Memo	Program Memo	Assistance Agreement	Treasury Department Background Checks	Congressional Correspondence
C081*	Southern Development Bancorp	\$1,000,000 equity \$1,000,000 grant						N	N	2	3	N	1					3	3	N	
C208	Tlingit-Haida Regional Housing Authority	\$695,800 loan \$25,000 TA						N		2	3	N	1		N	3	3	N		N	
C025	Vermont Community Loan Fund	\$150,000 grant \$17,500 TA					N	N		2	3	N	1			3	3	N			

Notes:

- 1 Not applicable at this time
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203779

EXHIBIT 24

Community Development Financial Institutions Fund
1997 CDFI Core Program
Interim Numeric Worksheet

Reviewer: _____

Applicant Name: _____

Control Number: _____

971C-

971C-

971C-

971C-

971C-

Track Record, Financial Strength & Current Operations						
Capacity, Skills, Strength & Experience of the Management Team						
Quality of the Comprehensive Business Plan						
Community Development Impact as a Return on CDFI Investment						
Matching Funds (Acceptable/Unacceptable)						
TOTAL						
Evaluation Scale: Very Weak = 1-10 Weak = 11-20 Average = 21-30 Strong = 31-40 Very Strong = 41-50						

Note: The rating is a relative rating: relative to the other applications under evaluation by the reviewer, as well as relative to the reviewer's understanding of the industry.

EXHIBIT 25



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

June 20, 1997

INTERIM CONFLICT OF INTEREST POLICY FOR COMMUNITY DEVELOPMENT
FINANCIAL INSTITUTIONS (CDFI) FUND REVIEWERS

Consistent with the Federal Acquisition Regulations' provisions on conflicts of interest, the Community Development Financial Institutions (CDFI) Fund has applied, and will continue to apply, a conflict of interest policy with respect to its contract reviewers that avoids a reviewer's participation in the evaluation or process of selection of applications where such participation creates a conflict of interest or an appearance of a conflict of interest.

This interim policy document memorializes the standards by which the CDFI Fund will determine whether a conflict of interest or an appearance of a conflict of interest will prevent outside (non-federal government employee) reviewers, hired on contract, from being assigned particular applications and applies to all outside reviewers participating in the evaluation or process of selection for an award of any application to the CDFI Fund. The role of outside reviewers in any CDFI Fund award process is such that outside reviewers will not make decisions about whether an applicant is eligible for, or receives, an award.

A reviewer will be considered to have a conflict of interest or an appearance of a conflict of interest with respect to an application if the reviewer, his or her spouse, parent, dependent child or member of his or her household:

1. serves, or in the last year has served, as an officer, director, trustee, partner, agent, attorney, consultant, contractor, or employee of that applicant, or any parent, subsidiary or affiliate organization of that applicant;
2. is negotiating, or has an arrangement concerning, prospective employment (or other similar association) with that applicant, or any parent, subsidiary or affiliate organization of that applicant;
3. has a financial interest in the CDFI Fund's action with respect to the application which would, if held by a government employee, constitute a "financial interest" within the meaning of 18 U.S.C. section 208. (Such "financial interests" arise from, but are not limited to, receipt of salaries or fees paid by, and interests in equity or other securities issued by, the applicant or any parent, subsidiary or affiliate organization of the applicant.);
4. has provided assistance to the applicant in the preparation of its application or otherwise facilitated the submission of the application;

5. serves, or has served, during the preparation of the application or the pendency of the CDFI Fund award process in which the application is being considered, as an officer, director, trustee, partner, agent, attorney, consultant, contractor or employee of an entity that either (1) has provided assistance in the preparation of the application or otherwise facilitated the submission of the application or (2) has a financial interest in the CDFI Fund's action with respect to the application.

The Director of the CDFI Fund may determine, in consultation with appropriate ethics officials, that a reviewer who has a conflict of interest or an appearance of a conflict of interest with respect to a particular application should not be assigned other applications as well. Factors to be considered in making such determinations include: the nature of the conflict or appearance of conflict; the importance of the reviewer's role in reviewing such other applications; the nature of such other applications; the relationship, if any, of such other applications to the application presenting the conflict or the appearance of a conflict; and the difficulty of assigning such applications to a different reviewer.

All reviewers must sign a conflict of interest certification and complete a confidential disclosure statement of relevant affiliations, employment and financial interests prior to being assigned to review any applications.

If, at any time during a CDFI Fund award process, a reviewer learns that he or she might have a conflict of interest or an appearance of a conflict of interest with respect to an application involved in such process, he or she must inform the Legal Counsel to the CDFI Fund immediately.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

COMMUNITY DEVELOPMENT
FINANCIAL INSTITUTIONS FUND

**Conflict of Interest Certification for
Community Development Financial Institutions (CDFI) Fund Reviewers**

I, the undersigned reviewer of an application(s) to the Community Development Financial Institutions (CDFI) Fund, hereby certify that, except as described on Schedule A attached hereto, I do not have a conflict of interest and that my particular circumstances are not likely to create the appearance of a conflict of interest with respect to any application in a CDFI Fund award process in which I am a participant. For purposes of this certification, I recognize that I shall be considered to have a conflict of interest or an appearance of a conflict of interest with respect to an application if I, my spouse, parent, dependent child or any member of my household;

1. serves, or in the last year has served, as an officer, director, trustee, partner, agent, attorney, consultant, contractor, or employee of that applicant, or any parent, subsidiary or affiliate organization of that applicant;
2. is negotiating, or has an arrangement concerning, prospective employment (or other similar association) with that applicant, or any parent, subsidiary or affiliate organization of that applicant;
3. has a financial interest in the CDFI Fund's action with respect to the application which would, if held by a government employee, constitute a "financial interest" within the meaning of 18 U.S.C. section 208. (Such "financial interests" arise from, but are not limited to, receipt of salaries or fees paid by, and interests in equity or other securities issued by, the applicant or any parent, subsidiary or affiliate organization of the applicant.);
4. has provided assistance to the applicant in the preparation of its application or otherwise facilitated the submission of the application;
5. serves, or has served, during the preparation of the application or the pendency of the CDFI Fund award process in which the application is being considered, as an officer, director, trustee, partner, agent, attorney, consultant, contractor or employee of an entity that either (1) has provided assistance in the preparation of the application or otherwise facilitated the submission of the application or (2) has a financial interest in the CDFI Fund's action with respect to the application.

I recognize that this certification is a continuing representation. I acknowledge that it is in effect at all times until I have completed all of the work to be performed by me in connection with my review of applications to the CDFI Fund.

If, at any time during a CDFI Fund award process, I learn that I might have a conflict of interest or an appearance of a conflict of interest with respect to an application involved in the process, I shall inform the Legal Counsel to the CDFI Fund immediately.

Signature of Evaluator or Reviewer

Date

Printed or Typed Name of Evaluate or Reviewer

Schedule A

1. I, my spouse, parent, dependent child or a member of my household serves, or in the last year has served, as an officer, director, trustee, partner, agent, attorney, consultant, contractor, or employee of the following applicant(s), or any parent, subsidiary or affiliate organization of the applicant(s).

2. I, my spouse, parent, dependent child or a member of my household is negotiating, or has an arrangement concerning, prospective employment (or other similar association) with the following applicant(s), or any parent, subsidiary or affiliate organization of the applicant(s).

3. I, my spouse, parent, dependent child or a member of my household has a financial interest in the CDFI Fund's action with respect to the following application(s) which would, if held by a government employee, constitute a "financial interest" within the meaning of 18 U.S.C. section 208. (Such "financial interests" arise from, but are not limited to, receipt of salaries or fees paid by, and interests in equity or other securities issued by, the applicant(s) or any parent, subsidiary or affiliate organization of the applicant(s).)

4. I, my spouse, parent, dependent child or a member of my household has provided assistance to the following applicant(s) in the preparation of the application(s) or otherwise facilitated the submission of the application(s).

5. I, my spouse, parent, dependent child or a member of my household serves, or has served, during the preparation of the following application(s) or the pendency of the CDFI Fund award process in which the following application(s) is being considered, as an officer, director, trustee, partner, agent, attorney, consultant, contractor or employee of an entity that either (1) has provided assistance in the preparation of the following application(s) or otherwise facilitated the submission of the following application(s) or (2) has a financial interest in the CDFI Fund's action with respect to the following application(s).
